



Senate

General Assembly

File No. 451

January Session, 2011

Substitute Senate Bill No. 1079

Senate, April 7, 2011

The Committee on Energy and Technology reported through SEN. FONFARA of the 1st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE APPOINTMENT OF A RECEIVER FOR CERTAIN UTILITY CUSTOMERS AND THE EXAMINATION OF THE DECOUPLING OF DISTRIBUTION REVENUES BY GAS AND ELECTRIC COMPANIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (1) of subsection (a) of section 16-262f of the
2 general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective July 1, 2011*):

4 (a) (1) Upon default of the owner, agent, lessor or manager of a
5 residential dwelling or nursing home facility, as defined in section 19a-
6 521, who is billed directly by an electric, electric distribution, gas or
7 telephone company or by a municipal utility for electric or gas utility
8 service furnished to such building, such company or municipal utility
9 or electric supplier providing electric generation services may petition
10 the Superior Court or a judge thereof, for appointment of a receiver of
11 the rents or payments for use and occupancy or common expenses, as

12 defined in section 47-202, for any dwelling or nursing home facility, as
 13 defined in section 19a-521, for which the owner, agent, lessor or
 14 manager is in default. The court or judge shall forthwith issue an order
 15 to show cause why a receiver should not be appointed, which shall be
 16 served upon the owner, agent, lessor or manager or his agent in a
 17 manner most reasonably calculated to give notice to such owner,
 18 agent, lessor or manager as determined by such court or judge,
 19 including, but not limited to, a posting of such order on the premises
 20 in question.

21 Sec. 2. (*Effective from passage*) The Department of Public Utility
 22 Control shall initiate a docket to examine the decoupling of
 23 distribution revenues from the volume of natural gas or electricity
 24 sales by the state's gas and electric distribution companies. Such
 25 examination shall include, but not be limited to, assessing the
 26 effectiveness of the decoupling strategies provided in section 16-19tt of
 27 the general statutes. On or before February 1, 2012, the department
 28 shall report the findings of such docket to the joint standing committee
 29 of the General Assembly having cognizance of matters relating to
 30 energy.

| | | |
|---|---------------------|---------------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>July 1, 2011</i> | 16-262f(a)(1) |
| Sec. 2 | <i>from passage</i> | New section |

ET *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill requires the Department of Public Utility Control to open a docket to examine the decoupling of distribution revenues from the volume of gas and electric company sales. This bill does not result in any fiscal impact to the state or municipalities.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**sSB 1079*****AN ACT CONCERNING THE APPOINTMENT OF A RECEIVER FOR CERTAIN UTILITY CUSTOMERS AND THE EXAMINATION OF THE DECOUPLING OF DISTRIBUTION REVENUES BY GAS AND ELECTRIC COMPANIES.*****SUMMARY:**

This bill allows a private or municipal electric or gas utility to seek the appointment of a receiver of rents (payments) when the owner, agent, lessor, or manager of a nursing home and related facilities who is billed directly by the utility for service furnished to the building defaults in his or her payments for this service.

The bill requires the Department of Public Utility Control (DPUC) to examine the decoupling of distribution revenues from the volume of gas and electric company sales. (Historically, a utility's revenues were directly linked to the amount of energy it sold, potentially giving it a disincentive to promote efficiency. Decoupling seeks to limit this linkage.) The examination must assess the effectiveness of the decoupling strategies provided in current law, which requires that decoupling be implemented using one of three methods. By February 1, 2012, DPUC must report its findings to the Energy and Technology Committee.

EFFECTIVE DATE: Upon passage for the DPUC study; July 1, 2011 for the receivership provisions.

RECEIVER OF RENTS

The bill extends to nursing homes, residential care homes, and rest homes with nursing supervision, rent receivership provisions that currently apply to residential buildings.

By law, if the owner, agent, lessor, or manager of a residential

dwelling who is billed directly by a private or municipal utility for electric or gas service furnished to the building, is in default, the utility can petition the Superior Court for appointment of a receiver of the rents for any dwelling whose owner, agent, lessor, or manager. The court must issue an order to show cause why a receiver should not be appointed.

A hearing must be held on the order within 72 hours after it is issued or the first court day thereafter. The purpose of the hearing is to determine whether the owner, agent, lessor, or manager owes the utility money. The court must determine the amount due and this amount becomes a lien on the owner's real property.

The receiver appointed by the court must collect the payments from the building residents. The receiver must pay the petitioning utility or other supplier, for the utilities supplied on and after the date of his or her appointment from those payments. The owner, agent, lessor, or manager is liable for reasonable fees and costs determined by the court to be due the receiver, which may be recovered from the payments under the control of the receiver, after paying the utility bills. The owner, agent, lessor, or manager is liable to the petitioning utility for its reasonable attorney's fees and costs, but no fees or costs may be recovered until after the utility bill and the reviewer's fees and costs are paid. Any money remaining after these payments is then applied to any arrearage the court found to be due the company or municipal utility. Any remaining money then goes to the owner, agent, lessor, or manager.

The court must terminate the receivership when it finds that (1) the arrearage that was the subject of the utility's original petition has been satisfied, (2) all occupants have agreed to assume liability in their own names for prospective service supplied by the petitioner, or (3) the building has been sold and the new owner has assumed liability for prospective service supplied by the petitioner.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 22 Nay 0 (03/22/2011)